

# MINUTES OF MEETING OF STATE BUILDING COMMISSION

## EXECUTIVE SUB-COMMITTEE

AUGUST 19, 2002

The State Building Commission Executive Sub-committee met this day in the Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee, at 2:00 p.m., with the following State Building Commission Sub-committee members and departments present.

### STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

C. Warren Neel, Commissioner, Department of Finance and Administration  
Riley Darnell, Secretary of State  
Steve Adams, State Treasurer

### STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

John Morgan, Comptroller of the Treasury

### OTHERS PRESENT

Mike Fitts, State Architect  
Georgia Martin, Department of Finance and Administration  
Larry Kirk, Department of Finance and Administration  
Charles Garrett, Department of Finance and Administration  
Mark Wood, Secretary of State's Office  
Genie Whitesell, Attorney General's Office  
Janie Porter, Attorney General's Office  
Pat Haas, Comptroller's Office  
Ann Butterworth, Comptroller's Office  
Dennis Raffield, THEC  
George Brummett, Department of Finance and Administration  
Jerry Preston, Tennessee Board of Regents  
Ken Scalf, Department of Finance and Administration  
Karen Hale, Comptroller's Office  
Dwight Hensley, Department of Environment and Conservation  
Mark Williams, Department of Environment and Conservation  
Larry Maxwell, Department of Agriculture  
Louis Buck, Department of Agriculture

Commissioner Neel called the meeting to order at 2:00 p.m. and requested action on the following matters as presented by State Architect Michael A. Fitts.

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**UNIVERSITY OF TENNESSEE**

**LAND ITEM**

Review of a request for APPROVAL to OBTAIN TITLE WORK, SURVEY and EXERCISE OPTION to ACCEPT as GIFT, with WAIVER of APPRAISAL, required interest in the following real property:

Description: **Hamilton County – 9.68 +/- Acres – O’Neal Street, Chattanooga, TN – Trans. No. 02-07-003 (GM)**

Purpose: Acquisition in Fee by Gift of the historic Engel Stadium. UT-Chattanooga proposes to utilize the site as the University's Sportsplex Facility consisting of a variety of intramural tracks and fields.

Source of Funding: Gift

Estimated Cost: Gift

Estimated Title  
And Survey Fees: Pending Bid

Owner(s): City of Chattanooga and Hamilton County

SSC Report: 08-12-02. Alvin Payne summarized the transaction. He advised that the conveyance to the State would contain a reversionary clause if the site is not used for the stated purpose. Mr. Payne also advised that operational and maintenance costs would be defrayed by user fees, and the current student activity fee structure. No additional state funds will be needed. After review and discussion, staff referred to Sub-committee for discussion.

SC Action: 08-19-02. Alvin Payne stated that the University had discussed this request further with the City and County since the Staff Subcommittee meeting and the city and County were agreeable to a revised reversionary clause wherein reversion would be limited to instances wherein the University ceases to use the property for University purposes or the University elects to dispose of the property. Secretary Darnell said if the City and County were willing to take out the original language and include a provision that prevents the land from reverting as long as it was used for University purposes, he would be in favor

**University of Tennessee – continued:**

of the request. He added that if it was less than that, they would need to come back to the Subcommittee. Treasurer Adams stated that the University does not have a baseball team and he wanted assurance that no student fees will go towards maintaining the baseball stadium. Mr. Payne stated that the University was committed to not using student activity fees to fund operation, maintenance or capital improvements to the stadium. He stated the University was committed to charging user fees for use of the stadium and the City and County will commit \$15,000 - \$20,000 a year toward maintenance. The Subcommittee acknowledged that the use of gift funds for maintenance and upkeep would be acceptable. In answer to questions, Mr. Payne said the baseball stadium is 70 years old, but is not on the Historic Register. Treasurer Adams said he wouldn't mind using student fees to tear it down. In response to Commissioner Neel's questions, Mr. Payne said that the acceptance by the University would not increase the education and general subsidy to the athletic program.

The Subcommittee then approved acceptance of the gift contingent upon the conditions outlined in the preceding discussion.

**UNIVERSITY OF TENNESSEE**

**LAND ITEM**

Review of a request for **APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT,** required interest in the following real property, not to exceed the appraised value:

Description: **Hamilton County – 9.5 +/- Acres – O’Neal Street, Chattanooga, TN – Trans. No. 02-07-004 (GM)**

Purpose: Acquisition in Fee, with Gift Funds of property contiguous to the historic Engel Stadium. UT-Chattanooga proposes to utilize the site as the University’s Sportsplex Facility consisting of a variety of intramural tracks and fields.

Source of Funding: Gift Funds

Estimated Cost: Pending Appraisal

Estimated Title, Appraisal, and Survey Fees: Pending Bid

Owner(s): Norfolk Southern Railroad

SSC Report: 08-12-02. Referred to Sub-committee for discussion.

SC Action: 08-19-02. Subcommittee approved the request as presented.

**TENNESSEE BOARD OF REGENTS**

**UNIVERSITY OF MEMPHIS, MEMPHIS, TENNESSEE**

- 1) State Architect Mike Fitts began a discussion of a design contract issue regarding a project for the **Student Activities Center Student Plaza** at the University of Memphis. Jerry Preston distributed a draft of a letter from the Tennessee Board of Regents to the designer, Jackson Person & Associates, giving notice of an intent to terminate the contract for cause allowing the designer time to remedy. Secretary Darnell asked if the Board was making any more payments to the designer, and Mr. Preston replied "no", and that the IRS had placed a tax levy against any remaining funds in the project. Secretary Darnell commented that they don't need to pay the designer or the IRS any more money until the matter is settled. Mr. Preston stated this discussion was for their information only, and no action was required. The Committee acknowledged receipt of the information.

*SBC Project No. 166/007-05-95D*

**DEPARTMENT OF AGRICULTURE**

**ELLINGTON AGRICULTURAL CENTER, NASHVILLE, TENNESSEE**

- 1) Mr. Fitts reminded the Subcommittee that the State Building Commission had referred to them, with authority to act, a request for approval of a project and acknowledgment of the source of funding for **Master Plan Update** at Ellington Agricultural Center, Nashville, and selection of a designer to plan the project. He said that the Commission had reservations regarding the source of funding for the project. Assistant Commissioner Larry Maxwell was recognized. He stated that, after consultation with the Attorney General's Office, the Department wanted to amend their request to reflect the use of Operating Funds, in lieu of Agricultural Regulatory Funds. After general discussion as to the proposed use of the facility, the Subcommittee approved the project with the amended source of funding, with the selection of a designer referred to the Sub-committee, with authority to act.

**Estimated Project Cost:           \$46,000.00**  
**SBC Project No.               100/000-01-02**

**DEPARTMENT OF ENVIRONMENT AND CONSERVATION**

**BLEDSON CREEK STATE PARK, SUMNER COUNTY, TENNESSEE**

- 1) Mr. Fitts reminded the Subcommittee that the SBC had referred to them, with authority to act, a request to cancel a project to **Replace Ranger Residence** at Bledsoe Creek State Park, Sumner County, Tennessee. Treasurer Adams stated that they would like to defer action on the request due to possible interest in the project in the future. In response to questions, Deputy Commissioner Mark Williams responded that the park is currently being managed as a satellite from Cedars of Lebanon State Park. Secretary Darnell asked if the monies in the project were holding up other projects, and they responded that these maintenance dollars could definitely be used elsewhere in the Park system. After further discussion, the request to cancel the project was deferred.

**Estimated Project Cost: \$120,000.00**  
**SBC Project No. 126/012-01-98**

**DEPARTMENT OF FINANCE AND ADMINISTRATION**

**STATEWIDE**

- 1) Mr. Fitts reminded the Subcommittee that the SBC had referred to them, with authority to act, a request for approval of a revision in funding and acknowledgment of the source of funding from \$350,000.00 to \$950,000.00 (\$600,000.00 increase) of a project for **Facilities Survey Model Development** and approval to issue a Request for Proposals for professional services. Treasurer Adams said that the Committee needed to sit down and discuss the request in more detail with staff. He said if they were going to have people go out and look at buildings and reconcile reports, they would be building up a lot of knowledge in the consultant's head, and when the contract is terminated, the consultant will walk away with that knowledge. Secretary Darnell stated that it appears they have the opportunity to hire a few people with a particular expertise, such as HVAC, roofing, etc, and they could have it in-house at less cost. Jerry Preston commented that they have gone through this at the University of Memphis. He added that their consultants required a lot of personnel with particular expertise. He added that the University staff had to go through the survey with the consultants to have an understanding, thereby creating a great deal of added knowledge in-house. Treasurer Adams said he would like to have a more thorough discussion of the issues. Mr. Preston mentioned that Vanderbilt and others do this type of facilities evaluation on a cycle—every five or ten years. Secretary Darnell said he thought it was a good plan, but there should be a balance. He said they need someone who will bring equity and consistency among Tennessee Board of Regents, University of Tennessee and general government.

After discussion, the request was deferred so that members and staff may discuss the issues further.

**Estimated Project Cost: \$350,000.00**  
**SBC Project No. 529/000-12-98**



**STATE BUILDING COMMISSION**

**MINUTES OF MEETING OF STATE BUILDING COMMISSION**

- 1) Approved the Minutes of the State Building Commission Executive Sub-committee meeting held on July 17, 2002.

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Following approval of the Consent Agenda, the meeting adjourned at 2:30 p.m.

**CONSENT AGENDA**

Approved the following real property transactions that have been reviewed and recommended for approval by Sub-committee staff:

- A. Agency: **Department of Safety – Rutherford County**  
Trans.: Lease Agreement
- B. Agency: **TN Board of Regents – Rutherford County**  
Trans.: Disposal by Easement with Right-of-Entry  
Provision: Waiver of Advertisement and Appraisals
- C. Agency: **TN Wildlife Resource Agency – Rutherford County**  
Trans.: Disposal by Easement with Right-of-Entry  
Provision: Waiver of Advertisement and Appraisals
- D. Agency: **TN Wildlife Resource Agency – Greene County**  
Trans.: Equal Value Exchange  
Provision: Waiver of (1) Appraisal

A.

**DEPARTMENT OF SAFETY**

**LEASE AGREEMENT**

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Rutherford County – 1035 Samsonite Boulevard, Murfreesboro, TN – Trans. No. 02-03-915 (RS)**

Purpose: To provide office and related space for the Department's Driver License Issuance and TN Highway Patrol local operations

Term: January 1, 2003 thru December 31, 2007 (5 yrs.)

Proposed Amount:	<b><u>4,800 Square Feet</u></b>		
	Annual Contract Rent:	\$44,900.00	@ \$ 9.35/sf
	Est. Annual Utility Cost:	\$ 6,720.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 5,280.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$56,900.00	@ \$11.85/sf

Current Amount:	<b><u>4,800 Square Feet</u></b>		
	Annual Contract Rent:	\$44,900.00	@ \$ 9.35/sf
	Est. Annual Utility Cost:	\$ 6,720.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 5,280.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$56,900.00	@ \$11.85/sf

Type: Renewal – Advertisement – Lowest of (4) Conforming Proposals from (3) Proposers and (1) Non-conforming Proposal

FRF Rate: \$13.50 Per Square Foot

Lessor: Pedigo-Rutherford Properties, LP

Comment: The proposed lease provides the Lessor will 1) make improvements to the lease space at no additional cost to the State and 2) no cancellation during the entire term of the lease except for cause and/or funding.

SSC Report: 08-12-02. Referred to Sub-committee for consent agenda.

SC Action: 08-19-02: Approved request as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT, with RIGHT-OF-ENTRY, of interest in real property, with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description: Rutherford County – 0.40 +/- Acres Permanent Easement and 1.32 +/- Acres Temporary Easement - Tennessee Boulevard, Murfreesboro, TN – Trans. No. 02-07-007 (LW)

Purpose: Disposal by Easement for the widening of Tennessee Boulevard from East Main Street to Greenland Drive to improve access from I-24 to Middle Tennessee State University.

Estimated Sale Price: Grant – State and Public Benefit

Grantee: City of Murfreesboro, TN

Comment: The City has agreed to provide (7) under-road crossings and associated manholes for existing and future MTSU utilities. The project performed by the City is valued at \$184,000.00 and a request was made of MTSU for \$50,000.00.

SSC Report: 08-12-02. Jerry Preston advised Staff that the City's proposed road widening project would not directly affect the University. He also advised that the project would provide a direct benefit to MTSU, resulting in better access to the University, adequate turn lanes, textured sidewalks and bike paths, and the current safety issues would be improved. Staff referred to Sub-committee for consent agenda.

SC Action: 08-19-02: Approved request as presented.

TN WILDLIFE RESOURCE AGENCY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT, with RIGHT-OF-ENTRY, of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description: Rutherford County – 0.235 +/- Acres Permanent and Temporary Easements - South Church Street, Murfreesboro, TN – Trans. No. 02-07-001 (CH)

Purpose: Disposal by Easement to allow improvements to the Lytle Creek Sewer System along South Church by the City of Murfreesboro, TN

Estimated Sale Price: Grant – Public Benefit

Grantee: City of Murfreesboro, TN

Comment: The City's construction will be that the final elevation will not be higher than before construction and will replant woody wetland vegetation in any disturbed area recognizing the State's purpose in purchasing the property was for wetland preservation.

SSC Report: 08-12-02. Referred to Sub-committee for consent agenda.

SC Action: 08-19-02: Approved request as presented.

TN WILDLIFE RESOURCE AGENCY

LAND ITEM

Review of a request for APPROVAL of an EQUAL VALUE EXCHANGE, in the following real property, with WAIVER of (1) APPRAISAL, not to exceed the appraised value for the property being acquired:

Description: Greene County - 50.0 +/- Acres - Joachim Bible Waterfowl Refuge - Trans. No. 07-02-002 (CH)

Purpose: Equal Value Exchange to allow development of water control structures to best enhance and develop the Refuge

Source of Funding: Wetland Acquisition Funds

Estimated Cost: Pending Appraisal

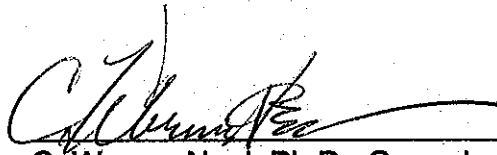
Estimated Title,  
Appraisal and  
Survey Fees: Pending Bid

Owner(s): Mack Banks

SSC Report: 08-12-02. Referred to Sub-committee for consent agenda.

SC Action: 08-19-02: Approved request as presented.

APPROVED BY:

A handwritten signature in black ink, appearing to read 'C. Warren Neel', is written over a horizontal line.

C. Warren Neel, Ph.D., Commissioner  
Department of Finance and Administration